Resolution authorizing the lease of 15,083 square feet at 3801 Third Street for the Human Services Agency with Bayview Plaza, LLC, merging Suites 200, 205, 210, 230, 235, 240, and adding Suite 220, commencing upon approval by the Board of Supervisors and Mayor, in their respective sole and absolute discretion, at the monthly rent of $39,215.80 during improvements and alterations, and then $41,478.25 per month for five years after substantial completion of the tenant improvements, for a base year's rent total of $373,304; and Construction of Tenant Improvements in an estimated cost to the City of $865,098.

WHEREAS, The Human Services Agency (the “HSA”) currently occupies suites 200, 205, 210, 230, 235 and 240 at 3801 Third Street for a total of 13,096 square feet (“s.f.”) under separate lease agreements for the operation of its Family and Children’s Services program; and

WHEREAS, Each of these lease agreements had an expiration date of August 31, 2014, and are in holdover currently; and

WHEREAS, The Real Estate Division at the request of the HSA negotiated a new lease at 3801 Third Street substantially in the form on file with the Clerk of the Board of Supervisors in File No. 141033; and

WHEREAS, The new lease will merge Suites 200, 205, 210, 230 235, 240 under one lease and add Suite 220 consisting of 1,987 square feet for a total 15,083 s.f. area; and

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WHEREAS, Tenant improvements are necessary to upgrade the existing square footage, merge the new suite, and to comply with LEED Gold Certification as required by the Green Building Ordinance; and

WHEREAS, The Lease will commence upon approval of the Lease by the Board of Supervisors and Mayor in their sole and absolute discretion; and

WHEREAS, The Lease term includes an interim time period to complete new tenant improvements at a reduced rental rate of $39,215.80 per month ($2.60 per s.f.) and one five (5) year term which commences after substantial completion of the tenant improvements at $41,478.25 per month ($2.75 per s.f.); and

WHEREAS, The Lease provides an option to extend the term for another five (5) years at 95% of the prevailing market rent, subject to approval by the Board of Supervisors and Mayor in their sole and absolute discretion; now, therefore, be it

RESOLVED, In accordance with the recommendation of the Director of the Human Services Agency and the Director of the Real Estate Division, that the Director of Property is hereby authorized on behalf of the City and County of San Francisco as Tenant, to enter into the Lease of 3801 Third Street, Suites 200, 205, 210, 220, 230, 235, and 240 with Bayview Plaza, LLC, as Landlord, for approximately 15,083 square feet for an interim period for construction of tenant improvements and then a five year term on the terms and conditions contained herein; and, be it

FURTHER RESOLVED, The fully serviced base rent for the initial five (5) year term shall be $41,478.25 ($2.75 per sq. ft.); and, be it

FURTHER RESOLVED, The monthly rent for the interim period during tenant improvements shall be a reduced rate of the base rent or $39,215.80 per month ($2.60 per s.f.); and, be it

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Real Estate BOARD OF SUPERVISORS
FURTHER RESOLVED, The initial base rent is subject to annual Consumer Price Index adjustments of no less than 3% and no more than 5%; and, be it

FURTHER RESOLVED, The Landlord shall provide a tenant improvement allowance of $232,193.00; and, be it

FURTHER RESOLVED, The City shall be responsible for tenant improvements over $232,193.00 which cost is estimated to be $865,098 for a total tenant improvement cost of $1,097,291; and, be it

FURTHER RESOLVED, The City agrees to indemnify, defend, and hold harmless Landlord and its agents from and against any and all claims, costs, and expenses, including, without limitation, reasonable attorneys fees, incurred as a result of (a) City's use of the Premises, (b) any default by City in the performance of any of its obligations under the Lease, or (c) any negligent acts or omissions of City or its agents in, on, or about the Premises or the property, provided, however, City shall not be obligated to indemnify Landlord or its agents to the extent any claim arises out of the negligence of willful misconduct of Landlord or its agents; and, be it

FURTHER RESOLVED, That any action taken by any City employee or official with respect to the exercise of the Lease as set forth herein is hereby ratified and affirmed; and, be it

FURTHER RESOLVED, That the Board of Supervisors approves the Lease in substantially the form in the Board's File and authorizes the Director of Property to take all actions, on behalf of the City, to enter into any amendments or modifications (including without limitation, the exhibits) to the Lease on the terms and conditions herein and form approved by the City Attorney that the Director of Property determines, in consultation with the City Attorney are in the best interest of the City, do not increase the rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to
effectuate the purposes of the Lease or this resolution, and are in compliance with all applicable laws, including City's Charter; and, be it

FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term of the Lease unless funds for the City's rental payments are not appropriated in any subsequent fiscal year at which time City may terminate the Lease with reasonable advance written notice to Landlord. Such termination shall then be effective upon surrender of the Premises. Said Lease shall be subject to certification as to funds by the Controller, pursuant to Section 3.105 of the Charter of the City and County of San Francisco; and, be it

FURTHER RESOLVED, That within thirty (30) days of the agreement being fully executed by all parties the Director of Property shall provide the agreement to the Clerk of the Board for including into the official file.

RECOMMENDED:

$1,058,402.10 Available for FY 2014-2015
Index Code No. 45ADOH

[Signature]
Controller

RECOMMENDED:

REAL ESTATE DIVISION

[Signature]
John Updike
Director of Property
Real Estate Division

Real Estate
BOARD OF SUPERVISORS
RECOMMENDED:

DEPARTMENT OF HUMAN SERVICES AGENCY

[Signature]

Director
Human Services Agency
Resolution authorizing the lease of 15,083 square feet at 3801 Third Street for the Human Services Agency with Bayview Plaza, LLC, merging Suites 200, 205, 210, 230, 235, 240, and adding Suite 220, commencing upon approval by the Board of Supervisors and Mayor, in their respective sole and absolute discretion, at the monthly rent of $39,215.80 during improvements and alterations, and then $41,478.25 per month for five years after substantial completion of the tenant improvements, for a base year's rent total of $373,304; and Construction of Tenant Improvements in an estimated cost to the City of $865,098.

November 19, 2014 Budget and Finance Committee - AMENDED

November 19, 2014 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 25, 2014 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Breed, Campos, Chiu, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Cohen

I hereby certify that the foregoing Resolution was ADOPTED on 11/25/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved